

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



November 10, 1997

COUNTY FISCAL LETTER (CFL) NO. 97/98-29

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS
ALL COUNTY GAIN COORDINATORS

SUBJECT: QUESTIONS AND ANSWERS CONCERNING THE CALIFORNIA WORK
OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)
ALLOCATIONS

REFERENCE: COUNTY FISCAL LETTER (CFL) NO. 97/98-19
COUNTY FISCAL LETTER (CFL) NO. 97/98-17
COUNTY FISCAL LETTER (CFL) NO. 97/98-16
COUNTY FISCAL LETTER (CFL) NO. 97/98-12
COUNTY FISCAL LETTER (CFL) NO. 97/98-26

The purpose of this letter is to address the variety of questions that have arisen from local agencies and the County Welfare Directors Association (CWDA) regarding the CalWORKs allocations that were released on September 10, 1997 to all counties. The attached information provides responses to counties' initial concerns and additional questions that were raised at the CWDA's Financial Analysis and Data Systems Group (FAADS) meeting on October 1, 1997, concerning the CalWORKs Single Allocation (CFL NO. 97/98-19), the CalWORKs Child Care Allocation for January 1st to June 30th 1998 (CFL NO. 97/98-17) and the CalWORKs Substance Abuse and Mental Health Treatment Allocation (CFL NO. 97/98-16).

If you have any questions regarding this letter, please contact your County Cost Analysis Bureau Analyst at (916) 657-3806.

Douglas D. Park, Chief
Financial Planning Branch

Attachments

c: CWDA

CalWORKs Single Allocation

1. Q. How will counties receive CalWORKs funds?
 - A. The California Department of Social Services (CDSS) is currently advancing funds consistent with the historical process, however, the future advancing methodology is still in the development stage.
2. Q. \$23M was shifted from California Work Opportunity and Responsibility to Kids (CalWORKs) to Medi-Cal in the budget. How will counties be able to access that money? When will the Medi-Cal allocation reflect the funds shifted from CalWORKs?
 - A. Although the budget reflects this shift, the Department of Health Services will not be providing an allocation to the counties until all Federal approvals have been received. In addition, there are current federal bills under discussion, which if passed, will have an impact on how costs are shifted between AFDC, FS and Medi-Cal. Currently, the department is working in conjunction with the Cost Allocation Plan (CAP) work group in modifying the CAP and the AEC to capture "common costs."
3. Q. PA to NA Shift - The Food Stamp (FS) shift used to be in Federal dollars and counties did not track (it was automatically done in the Administrative Expense Claim (AEC)). Now it includes the State share. Why the change? How are counties supposed to track? Will the Administrative Claim automatically do the shift?
 - A. Assembly Bill (AB) 1542 changes the funding arrangement for AFDC to a single CalWORKs allocation creating a significant difference from the way we have historically funded AFDC and FS. In order to correctly allocate funds between CalWORKs and Food Stamps, the shift now must include State General Fund. The AEC will automatically shift the costs. CFL NO. 97/98-26 dated October 15, 1997 has been prepared by the Fiscal Policy Bureau to provide additional information.

4. Q. Will FS funds rollover as the Single Allocation does?
 - A. No, FS is not a part of the Single Allocation. There is no authority that allows the rollover of FS funds.
5. Q. The Small Programs allocation dollars have decreased compared to the Planning allocation figures provided to counties earlier. Why?
 - A. The AFDC portion of the Staff Development funds were shifted to the CalWORKs single allocation.
6. Q. Were the base assumptions in the Probation Emergency Assistance carve out restricted to items claimed on the AEC or were probation costs formerly claimed as EA also included?
 - A. Pursuant to Chapter 3.2, Comprehensive Youth Services Act, (Assembly Bill 1542), \$140.8 million has been authorized to provide funding for the cost of county juvenile probation activities and was based on expenditures as reported in the AEC and Assistance Claim. In addition, the Budget Act provided that \$32.7 million for juvenile camps, forestry camps and ranches formerly funded with SGF through the CYA be transferred to the CDSS and funded with TANF funds for distribution to County Probation Departments (CPD). These federal funds will be passed through to the CPD via the CWD's AEC. This is the same process used under the former EA Probation program. Reimbursement for the program will show on the AEC as 100 percent federal. The funds for the cost of county juvenile activities has been allocated based on the appropriation using the methodology specified in AB 1542. The funding for the Probation camps was distributed to qualified counties based on the average daily population of the county's juvenile ranches, camps or forestry camps for the previous fiscal quarter.
7. Q. What about "physical plant" expenditures due to changing processes and how counties handle applicants. Will there be money to pay for purchases of furniture, leases, equipment and tenant improvements?
 - A. Although no funds are specifically identified in the counties' Single Allocation for the above purpose, the flexibility within the Single Allocation allows counties to fund these types of changes/purchases. In addition, the revised CAP for FY 97/98, effective with the September 1997 quarter, allows counties to direct charge one-time start-up costs to the benefiting program (CFL NO. 97/98-26).

8. Q. CDSS is required to make an annual allocation of funds to federally recognized American Indian Tribes that administer a program pursuant to the Personal Responsibility & Work Opportunity Reconciliation Act of 1996 (PRWORA). Does this include both Federal and State funds? Since the counties allocation will be reduced by the amount sent to the Tribes, does this affect the counties' Maintenance of Effort (MOE) also?

A. Section 10553.2(a) of the CalWORKs statute (AB 1542) allows the CDSS to include Federal TANF and/or State funds in any allocation provided to an eligible tribe. The Federal funds, however, will be sent directly from the Federal government to the Tribes. The CDSS has no authority to require a county to transfer their county funds to a tribe or require a tribe to spend their funds as MOE in order to receive an allocation. Therefore, a counties' MOE requirement would not be reduced. However, CDSS is developing a proposal on the treatment of county MOE should a county provide county funds to a tribe.
9. Q. In 1996/97, there were two separate allocations for Cal-Learn - one for employment training, and one for eligibility. Are both of these pieces included in the single allocation?

A. Yes, both parts of the allocation, case management and county administration, are included in the single allocation, as well as the amounts appropriated for transportation and ancillary costs. Rollover funds from FY 96/97 Cal-Learn Child Care were also included with GAIN Child Care in the Single Allocation.
10. Q. Before CalWORKs, small counties had transferability between Food Stamp administration and AFDC. Will this be able to continue?

A. There will continue to be transferability between Food Stamp and Foster Care Administration, however, the transferability does not extend to the CalWORKs/TANF funds since these funds are now part of the single allocation and have rollover capability.
11. Q. Before CalWORKs, allocations not spent by small counties first went into a small county "pot" before being subjected to re-allocation statewide. Will this continue at least for food stamp administration?

A. Yes, for the FY 1997/98 Food Stamp and Foster Care Administration and Small Programs (non CalWORKs) allocations the closeout processes will remain as in the past.

12. Q. Can you provide a breakdown of the GAIN two-thirds and one-third funding?
- A. Yes, please see attachment II.
13. Q. On the Single Funding Page - A new federal catalog number for TANF was listed, when is that effective?
- A. The change to the Single Funding Page of the AEC was effective December 1, 1996.
14. Q. Can you provide a definition/clarification of the Administrative CAP?
- A. CDSS has not yet received federal guidance regarding the definition/clarification of the administrative cap that applies to the TANF grant, other than the 15% limit. However, CDSS is currently considering alternatives for defining administrative costs which include potential alignment with the Child Care and Development Block Grant (CCDBG) model, which defines administrative costs to include only a narrowly defined set of generic activities. CDSS will notify counties as more information becomes available.

MOE

15. Q. If a county cannot meet the MOE requirement, can they "buy-in" the difference?
- A. CDSS in conjunction with the CWDA Cost Allocation Plan (CAP) Workgroup is considering alternatives regarding how counties' annual MOE requirement will be tracked (e.g., the current cost sharing ratios are no longer applicable and may not continue to be reflected on the AEC). For example, a methodology by which 25 percent of the county MOE, adjusted for the Food Stamp county share of expenditures, is calculated and applied to the total quarterly CalWORKs program expenditures as county share. This process will ensure that the annual MOE requirement is met.
16. Q. Does the University of California, Davis (UCD) in-kind match for staff development funds count towards MOE?
- A. Yes, the in-kind match provided by the UCD for staff development funds, to the extent the staff development is for CalWORKs programs, may be counted towards the county's MOE. CDSS believes that this specific in-kind match, which has historically been allowed under federal regulations, and has been included in the counties 1996/97 expenditures (base for MOE) may be counted towards the MOE.

17. Q. Do counties have to spend their MOE entirely within the current Fiscal Year (FY) or can they rollover their MOE obligation to the next FY with their unspent allocation?
- A. The county's MOE (which is based on 1996/97 actual expenditures) is an annual amount that must be expended in the respective State fiscal year. Failure to meet this required level of spending will result in a proportionate reduction of their allocation, per AB 1542 requirements.

Child Care

18. Q. May counties choose to provide child care in Stage I to eleven and twelve year olds if the parent feels it is essential in order for participation in employment activities? The law states that we may provide "if funding is available," and there is no way to determine availability at this time.
- A. Counties have the option to provide child care for children eleven and twelve years old depending on the availability within the counties allocation to meet their child care needs.
19. Q. What will be the mechanism for requesting additional funding in any stage if it becomes apparent that a specific allocation is inadequate? We will need a quick process in order to provide continuing payments to providers.
- A. All available funds related to child care have been allocated. Counties have the flexibility to use Single Allocation funds for child care costs for the first six months. For the second six months the Department of Finance has the authority to transfer funds between Stage I and Stage II should funding discrepancies exist. Counties can also use their single allocation funding to meet their child care needs. In addition, for the second six months allocation, if there are unexpended child care funds at the end of the fiscal year, CDSS has the ability to redirect those funds among counties to cover over-expenditures, to the extent those funds exist.

20. Q. Transitional Child Care - Is this just administration? There was a Department of Education piece for Transitional Child Care (TCC). Where did this piece end up?
- A. The funding for TCC families is in Stage II child care. Effective January 1, 1998, all TCC families receiving child care should be transitioned into Stage III child care. If Stage III funding is not available, TCC families should be referred to Stage II child care. If there is no Stage II or Stage III child care funding available, these families can remain in Stage I until there is available funding in Stage II or Stage III. CWDs should be working with local APPs to facilitate this transition, and are encouraged to refer these clients to Stage II and Stage III waiting lists as soon as possible. CDSS suggests counties refer TCC participants to Stage II child care before they refer other Stage II eligible families because TCC families' time in Stage I child care could be counted against the federal 60-month time limit on aid. According to federal guidance, child care assistance is counted against the 60-month time limit when TANF funding is used to reimburse these costs. TCC families can receive Stage II child care for up to two years after their aid is terminated, and those TCC families referred to stage III obtain a permanent slot.
21. Q. What is the required timing in moving clients from Stage I to Stage II?
- A. Generally, the maximum time period for Stage I recipient participation is six months. The intent of the law, however, is to move the recipient out of Stage I as quickly as possible and most certainly as soon as the demonstrated need for child care has become stable. However, a family can stay in Stage I when the county determines the situation is unstable or funding is not available in Stage II.
22. Q. Where is the funding for Supplemental Child Care (SCC)?
- A. The SCC was repealed by AB 1542 effective January 1, 1998. Recipients who are eligible for the SCC program will instead be eligible to receive child care services under the new CalWORKs child care system. Funding for previous SCC families is in Stage II. However, if the family is not stable or funding is not available in Stage II, these families can receive Stage I child care. These recipients should receive child care services in Stage II. If Stage II services are not available, or if the CWD determines that the participants situation is too unstable, the recipient may initially receive Stage I child care and then be moved to Stage II when appropriate.

23. Q. How is the Child Care Disregard (CCD) included in the budget?
- A. The CCD was repealed by AB1542 (Chapter 270, statutes of 1997) effective January 1, 1998. Recipients who are eligible for the child care earned income disregard will instead be eligible to receive child care services under the new CalWORKs child care system. The funding for previous income disregard families is in Stage II Child Care. These recipients should be treated in the same manner as former SCC recipients. (please refer to previous question)
24. Q. Can you clarify the content of the columns in the Child Care funds attachment?
- A. Column one contains the allocation for Stage I child care services. Column two contains the Cal-Learn child care services allocation. Column three contains the allocation for child care administration. Column four contains the total of all columns-- the total Child Care Allocation.

Substance Abuse/Mental Health Treatment

25. Q. Can you confirm that the money will go to the county (county welfare to work office) and not to Mental Health?
- A. We are currently in the process of finalizing procedures with the State Department of Mental Health. It is anticipated that each County Welfare Department (CWD) will have an Interagency Agreement with their County Mental Health Department (CMHD) to facilitate services. For those expenditures that are not eligible for Title XIX reimbursement, the CDSS will reimburse the CWDs with State General Funds. For those expenditures that are Title XIX reimbursable, Department of Health Services will reimburse the 50% federal share of costs to the CMHD and the CDSS will reimburse the CWD with the matching state general fund.

26. Q. Small counties' remain concerned about minimum allocations. They are especially troubled by small allocations for substance abuse and mental health. Besides their usual problem of not being able to add staff to use small allocations, many small counties have substance abuse and mental health problems that are far out of proportion to their size. How can these issues be addressed?
- A. The allocation methodology is currently in statute, WIC Section 11325.7(d) and 11325.8(e); however, section 11325.8(f) also states that counties shall report to the State the extent to which the allocation is sufficient to meet the needs for substance abuse services, as determined by the county. The funds allocated for substance abuse and mental health are the estimated need for treatment services only. The funds for the county administration/case management related to these services were included in the CalWORKs single allocation.
27. Q. The additional \$3 million for Substance Abuse Treatment, is it going to the counties or to the Department of Alcohol and Drug Programs (ADP)?
- A. The Department is transferring \$1.5 million State General Fund to ADP to be matched with approximately \$1.5 million Federal Title XIX funds. The additional \$3 million will be allocated to counties by ADP and will be accessible by CWDs through their local alcohol and drug administration for certified drug/medical services.

FY 1997/98 GAIN ALLOCATION: WITH CALWORKS EMPLOYMENT SERVICES FUNDS

Attachment II

fn:2thirds 11/10/97	FY 97/98 GAIN Planning Allocation w/out Child Care	Alloc of 1/3 CalWORKs Funds	Alloc of 2/3's CalWORKs Funds	FY 97/98 GAIN Single Alloc (w/out County MOE)
AMEDA	7,682,181	4,987,137	5,834,429	\$17,986,294
ALPINE	110,586	0	6,741	\$101,987
AMADOR	270,500	0	66,645	\$308,584
BUTTE	3,327,372	0	1,389,768	\$4,398,157
CALAVERAS	374,250	0	156,994	\$499,155
COLUSA	330,321	0	66,211	\$358,151
CONTRA COSTA	5,244,323	510,086	2,649,998	\$7,907,709
DEL NORTE	412,372	64,201	219,469	\$660,498
EL DORADO	742,944	65,840	372,458	\$1,120,524
FRESNO	9,807,863	2,544,368	5,688,402	\$17,082,604
GLENN	291,072	11,420	134,575	\$411,606
HUMBOLDT	1,210,892	308,175	699,555	\$2,123,401
IMPERIAL	1,878,790	1,018,196	1,334,109	\$4,133,442
INYO	230,807	0	77,869	\$281,424
KERN	5,950,857	2,665,518	3,967,980	\$12,152,984
KINGS	1,443,405	0	651,622	\$1,963,210
LAKE	1,086,586	0	451,822	\$1,442,792
LASSEN	338,856	27,304	168,623	\$507,652
LOS ANGELES	64,961,577	34,799,744	45,941,703	\$140,375,306
MADERA	1,326,738	113,300	663,161	\$1,998,717
MARIN	539,030	21,032	247,837	\$765,836
MARIPOSA	329,548	0	73,520	\$363,604
MENDOCINO	855,974	224,363	497,513	\$1,506,615
MERCED	4,690,655	0	2,001,739	\$6,195,396
MODOC	424,698	0	75,149	\$449,924
MONO	219,821	0	16,291	\$208,399
MONTEREY	2,015,500	817,906	1,304,829	\$3,959,538
NAPA	800,984	0	235,551	\$922,918
NEVADA	668,368	0	193,149	\$782,080
ORANGE	10,091,694	4,096,561	6,533,921	\$19,936,673
PLACER	1,738,925	0	497,886	\$2,029,231
PLUMAS	317,111	0	78,004	\$363,092
RIVERSIDE	11,833,784	734,501	5,787,899	\$17,383,898
SACRAMENTO	14,116,738	4,346,097	8,502,435	\$25,858,023
SAN BENITO	337,700	51,178	179,085	\$541,537
SAN BERNARDINO	15,592,169	6,848,411	10,334,250	\$31,798,447
SAN DIEGO	20,545,034	2,324,572	10,531,824	\$31,323,779
SAN FRANCISCO	4,171,411	354,762	2,084,376	\$6,194,202
SAN JOAQUIN	5,406,652	2,546,144	3,662,391	\$11,238,464
SAN LUIS OBISPO	1,309,016	0	603,287	\$1,778,351
SAN MATEO	2,648,480	0	786,870	\$3,068,403
SANTA BARBARA	2,526,564	0	1,084,792	\$3,327,616
SANTA CLARA	10,339,932	389,523	4,590,009	\$14,119,334
SANTA CRUZ	1,070,282	321,041	640,727	\$1,938,535
SHASTA	2,591,888	0	1,134,189	\$3,516,988
SIERRA	167,942	0	10,403	\$158,371
SISKIYOU	522,434	152,797	310,955	\$950,957
SOLANO	2,202,442	1,002,771	1,476,052	\$4,520,955
SONOMA	3,186,061	0	1,066,139	\$3,881,217
STANISLAUS	5,634,581	228,686	2,694,762	\$8,117,463
SUTTER	1,121,453	0	329,473	\$1,320,055
TEHAMA	705,537	0	332,193	\$979,500
TRINITY	397,937	0	75,239	\$427,963
TULARE	5,616,530	691,208	2,904,815	\$8,755,618
TUOLUMNE	476,843	29,491	233,175	\$696,545
VENTURA	4,177,236	0	1,607,295	\$5,410,007
YOLO	1,896,109	0	770,534	\$2,490,038
YUBA	1,976,642	0	561,975	\$2,342,231
TOTAL	\$250,286,000	72,296,333	144,592,667	\$445,436,000